REMARKS

After entry of the foregoing amendment, claims 7-11, 13-41, 51, 55-69 and 71-87 are pending in the application. (Claims 12, 42-50, 52-54 and 70 have been canceled.)

The allowance of claims 16-18 and 22-31 is noted with appreciation. (Claim 29, and 30-31 dependent thereon, are amended above to remove the qualifier "second object," since there is no first object with which this term might be confused.)

Claims 20 and 21 are said to be "objected to" for being dependent on a rejected base claim. However, claim 20 is actually independent (and claim 21 depends from claim 20). Accordingly, a determination that claims 20 and 21 are allowable is solicited.

The January 4 restriction requirement is respectfully traversed; reconsideration is requested. The recently added claims (32-74) share numerous common themes and limitations with the claims already examined (7-31). Accordingly, examination of the claims as a group would not appear to be unduly burdensome on the Office.

Moreover, the January 4 Action failed to provide any explanation for the assertion that Groups I and II are related as subcombinations usable together.

The Action particularly contrasted Groups I and III, and Groups I and IV, but was silent regarding Group I vs. Group II.

MPEP § 806.05(d) requires that, when dividing claims based on "Subcombinations Usable Together," the form paragraph be edited to "suggest utility [of one invention] other than with the other invention." In the present Action, no such separate utility was detailed between Group I and Group II.

The MPEP further cautions, "The burden is on the examiner to provide an example."

Because this burden has not been met, the requisites for requiring division of these groups have not been established. Absent such a *prima facie* showing, no restriction should be required between these groups (or a replacement restriction requirement should be issued particularly addressing Group I vs. Group II).

The independent claims of Group II (32, 55, 59 and 64) all include limitations that render such combinations novel and non-obvious over the art of record, so same are believed properly patentable.

Subject to such traverse, applicant provisionally elects to prosecute the claims of Group I.

If the restriction requirement of Groups III and IV is made final, the Examiner is authorized to cancel the remaining claims in those groups (i.e., claims 51, 69 and 71-74) by Examiner's amendment, if desired.

Turning to the claim rejections, the Examiner's further remarks concerning his application of the art to claim 7 have helped clarify some earlier uncertainty about the rejection. Based on the Examiner's observations, applicant has amended claim 7 to better distinguish the claimed arrangement from the art. As amended, the claim now expressly requires "processing ... pixel values..." - a limitation that was earlier only implicit, and which distinguishes Tow (who processes halftone patterns).

Moreover, the amended claim requires 7 that both the input and output data comprise pixels "of at least three different values" – further distinguishing the dual tone aspects of Tow's approach.

Accordingly, claim 7 is believed to recite limitations neither taught nor suggested by the art of record.

Moreover, applicant respectfully submits that the explanation offered for combining Tow '098 and Tow '091 is insufficient to yield the arrangement of claim 7. It seems the Action goes too far by stating "*It would have been obvious ... to utilize the patent '098 to hide any known digital data...*" No rationale for this extreme position is offered, other than seeming hindsight.

Still further, the Action did not address the point raised in the April 2004 response, *i.e.*, that both applied prior art references are by the same inventor. If the proposed combinations were obvious, it seems Mr. Tow would have proposed them in one of his two cited references. (Unlike the usual case in which the knowledge of the artisan as to the existence of the cited references is *hypothetical*, here wee have a case where Tow's knowledge was *actual*.)

Accordingly, in addition to various features of the claim not being found in the art, it appears the proposal to combine teachings also suffers from an insufficient rationale.

New claims 75-79 have been added which depend from claim 7, and further distinguish the Tow art.

New dependent claim 75 specifies that the processing recited in claim 7 "comprises combining overlay data with said set of pixel values." No such "combining" is taught or suggested by Tow.

New dependent claim 76 specifies that the processing changes pixel values, and that the magnitudes of such changes approximate magnitudes of naturally-occurring digital image noise. No such consideration is taught or suggested by Tow.

New dependent claim 77 specifies that the encoded graphic comprises continuous tones – the opposite of Tow.

New claim 78 specifies that the processing comprises changing values of at least certain of the pixels in the input set of pixel values.

New claim 79 is similar but goes further, specifying that the changing of values is based, in part, on initial values of the pixels. Again, Tow does not operate in this fashion (but rather teaches moving halftone cells).

New claim 80 is an independent claim modeled, roughly, after claim 7. It recites, *e.g.*, distributing a version of the encoded graphic that represents same in continuous tone form. Tow, in contrast, teaches a dual-tone approach.

New claims 81-83 are essentially identical, except that they depend from claims 16, 17 and 18, respectively. (Each of these base claims was earlier allowed.) These new claims concern directing a web browser to an internet address determined by reference to the earlier-encoded address information, and presenting a user an opportunity to engage in a purchase transaction over the internet.

New claim 84 depends from allowed claim 22, and specifies that the claimed screen display presents a user an opportunity to engage in a purchase transaction over the internet.

New claim 85 is similar, but depends from allowed claim 23.

New claim 86 is similar to claims 81-83, but depends from allowed claim 29.

New claim 87 is also similar, but is independent, and generally incorporates the limitations of claim 20 (indicated as allowable). (Applicant would have written claim 87 to depend from claim 20, but for the awkwardness of having a method claim depend from a claim drawn to a physical object.)

(Concerning claim 11 (dependent on amended claim 7), the rejection – premised on Official Notice - is respectfully traversed. The use of domain name servers in 1995 was not believed to have suggested processing a graphic image to encode an index, as particularly claimed by claim 11. If the rejection is renewed, a citation to a particular reference illustrating the prior art teachings relied-upon by the Examiner is requested, so that such reference can be particularly analyzed as to its relevant teachings and

suggestions. This will help the Board assess whether the Action has met the *prima facie* requirements of § 103 concerning claim 11.)

Related Cases

The Examiner is reminded that many of the claim terms and other issues involved in the present application are currently being considered by him in copending application 10/090,775.

Additionally, the Examiner is reminded of an earlier application he handled involving related issues, i.e., 09/464,307 (now patent 6,286,036; involving art-based rejections over Stelovsky 5,782,692; Wolff 5,848,413, and Cooperman 5,613,004).

Other applications earlier examined by the present Examiner involving related subject matter also include 09/895,748 (6,542,927), 09/408,902 (6,408,331), 09/130,624 (6,324,573), 09/342,689 (6,311,214), 09/464,307 (6,286,036), and 08/508083 (5,841,978).

Applicant would be pleased to provide copies of any documents from these related applications. However, to avoid burdening the current file with more paper, no such copies will be provided unless requested.

Assuming the restriction requirement as to Groups III and IV is made final, the Examiner is asked to issue a Notice of Allowance of claims 7-11, 13-41, 55-69 and 71-87.

Respectfully submitted,

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